

**MINUTES OF DISCUSSIONS
ON
MASTER PLAN STUDY FOR PORT SECTOR
IN
THE REPUBLIC OF IRAQ**

**AGREED UPON BETWEEN
GENERAL COMPANY FOR PORTS OF IRAQ,
MINISTRY OF TRANSPORT
AND
JAPAN INTERNATIONAL COOPERATION AGENCY**

In response to the official request of the Government of the Republic of Iraq to the Government of Japan, the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions with General Company for Ports of Iraq (hereinafter referred to as "GCPI") and Ministry of Planning (hereinafter referred to as "MOP") of the Republic of Iraq to develop a detailed plan of the project on Master Plan Study for Port Sector in Iraq (hereinafter referred to as "the Project").

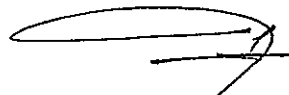
Both parties confirmed the results of the Main Points Discussed as described in the Appendix 1 and the Draft Record of Discussions Appendix 2 respectively.

Appendix 1: Main Points Discussed
Appendix 2: Draft Record of Discussions

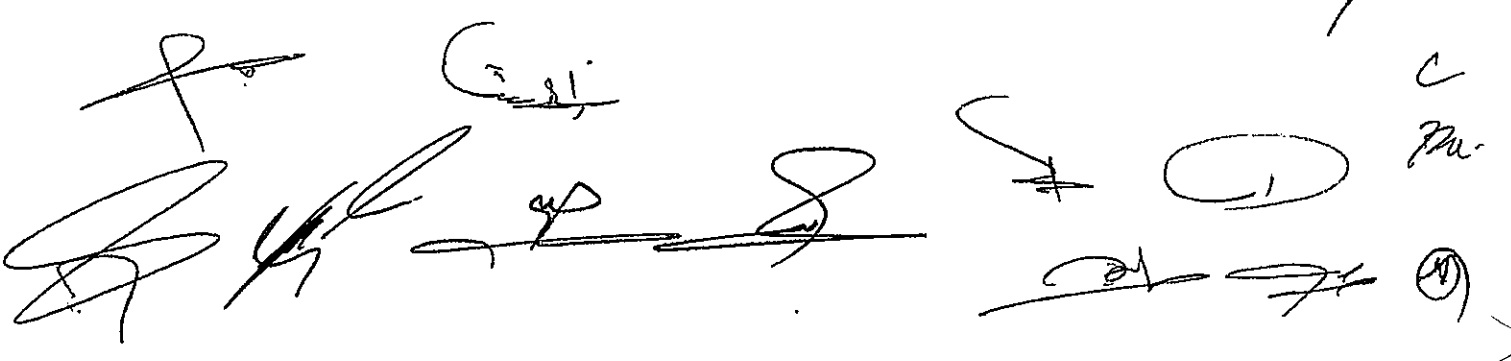
Date : July 11, 2012
Place : Amman, Jordan



Mr. Taiji KAWAKAMI
Executive Technical Advisor to the
Director General,
Economic Infrastructure Department,
Japan International Cooperation
Agency (JICA)



Capt. Hussain M. Abdullah
Project Director,
General Company for Ports of Iraq,
Ministry of Transport



Main Points Discussed

The JICA mission had detailed discussions with officials of GCPI. The both parties confirmed the results of their discussions as follows.

General issues

1. The both parties confirmed the Draft Record of Discussions attached as Appendix 2.
2. The JICA mission explained that the Record of Discussions will be signed after the exchange of the Note Verbal between the two governments, and the officials of GCPI confirmed that the effectiveness of the Record of Discussions will be confirmed after signing of the Record of Discussions.

Training Centre of GCPI

3. GCPI explained that the current situation of GCPI's training centre and its structure should be reviewed and clarified through the Project. The JICA mission understood its necessity.

Joint Coordination Committee (JCC)

4. The JICA mission and GCPI confirmed that the members of JCC shall be officially nominated before the signing of the Record of Discussions.
5. GCPI requested that the meetings of JCC should be principally held in Basrah or Baghdad. The JICA mission took note of it.
6. The JICA explained that if the meeting was held outside Iraq, meeting expenses and travel allowances would be covered by JICA. GCPI took note of it.

List of Participants for Discussion with JICA

7. The List of participants for the mission for the Project is shown in Attachment 1.

[END]

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RECORD OF DISCUSSIONS
ON
MASTER PLAN STUDY FOR PORT SECTOR
IN
THE REPUBLIC OF IRAQ
AGREED UPON BETWEEN
GENERAL COMPANY FOR PORTS OF IRAQ,
MINISTRY OF TRANSPORT
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

(DRAFT)

MMM DD, 201Y,
in Baghdad, Iraq

Mr. Xxxxxx XXXX
Chief Representative,
Iraq Office
Japan International Cooperation
Agency (JICA)

[Representative of implementing
agency]

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In response to the official request of the Government of the Republic of Iraq (hereinafter referred to as "GOI") to the Government of Japan (hereinafter referred to as "GOJ"), the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions with General Company for Ports of Iraq of the Republic of Iraq (hereinafter referred to as "GCPI") and relevant organizations to develop a detailed plan of the Master Plan Study for Port Sector in Iraq (hereinafter referred to as "the Project").

Both parties agreed the details of the Project and main points discussed as described in the Appendix 2-1 and the Appendix 2-2, respectively, and to request their respective governments to proceed with the necessary procedures for implementation of the Project.

Both parties also agreed that GCPI, the counterpart to JICA, will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute towards social and economic development of Iraq.

The Project will be implemented within the framework of the Note Verbal to be exchanged between GOJ and GOI.

Appendix 2-1: Project Description
Appendix 2-2: Main Points Discussed

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PROJECT DESCRIPTION

I. BACKGROUND

Ministry of Transport (hereinafter referred to as "MOT") has made "Port Sector Development Plan" in accordance with the basic development policy of maritime transport described as a part of National Development Strategy;

- Restoration of Umm Qasr Port (hereinafter referred to as "UQP") and Khor Al Zubayr Port (hereinafter referred to as "KZP").
- Restoration of Maritime navigation safety through the removal of shipwrecks from access channels and port basin, and through capital and maintenance dredging.
- Development of a master plan to increase efficiency and optimize the institutional arrangement for ports and inland waterways.

Under the above policy, the Port Sector Rehabilitation Project is being implemented under Japanese ODA Loan in order to restore original capacity of the ports. Further, some rehabilitation works in other ports have been implemented or planned by the GOI financing.

Economic situation in Iraq is dramatically improved. It is recognized that such rehabilitation works and port development projects require an updated master plan. For example annual GDP growth rate was around 4% from 2006 to 2010, but it became about 9% in 2011, and it seems to keep above 8%. Those changes will highly affect the port sector.

In this context, it is essential to formulate a comprehensive port master plan, as well as the improvement and modernization in the port management & operation aspects, for sustainable economic development of Iraq.

II. OUTLINE OF THE PROJECT

1. Title of the Project

Master Plan Study for Port Sector in Iraq

2. Expected Goals which will be attained after the Project Completion

2.1 Goal of the Proposed Plan

GOI will admit Master Plan and develop port sector in Iraq, following this master plan, and it will contribute to the economic growth in Iraq.

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2.2 Goal which will be attained by utilizing the Proposed Plan

- (1) To increase the total amount of port freight handling in Iraq
- (2) To increase the efficiency of the port freight handling

3. Outputs

- (1) Port Sector Development/Administration Strategy (target year 2035)
- (2) Port Master Development/Administration Plan for Main Ports and Waterways (target year 2035)
- (3) Short Term Development Plan for UQP and KZP (target year 2025)
- (4) Pre-Feasibility Study for the Priority Projects (target year 2025)
- (5) Short Term Action Plan for Port Administration/Management/Operation (target year 2025)

4. Activities

4.0. Review the existing studies and analysis of the present condition

- (1) To examine the socio-economic conditions and the regional structure of Iraq
- (2) To review the existing development plans in Iraq and Middle and Near East countries (regional, industrial, agricultural and transport plans, etc.)
- (3) To review the existing port development/administration plans, policies, regulations and the related studies
- (4) To review the current situation and present conditions of each transport modes including roads, railways, ports and waterways
- (5) To review and evaluate the administrative management and operation systems of ports and waterways (capacity development of GCPI also included in this review and evaluation)
- (6) To analyze cargo and passenger movement related to ports and waterways
- (7) To conduct necessary surveys on natural, environmental and social considerations

4.1. Formulation of a port sector development/administration strategy in Iraq (target year 2035)

- (1) To set up a future socio-economic frame work
- (2) To analyze the scenarios for the development of maritime transportation network in Iraq and Middle and Near East countries
- (3) To conduct demand forecast for port cargo in Iraq
- (4) To identify problems related to the existing institutional setting of port development/administration/operation etc.
- (5) To define future functions and prepare development concepts for ports and waterways in Iraq
- (6) To formulate a port sector development/administration strategy which covers functional allotment among ports, required infrastructure, schemes for funds, institutional setting, capacity development, privatization, marketing etc.

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4.2. Formulation of a port master development/administration plan for main ports and waterways in Iraq (target year 2035)

- (1) To formulate basic layout plan of main ports and waterways
- (2) To examine land transport systems connecting ports and hinterlands
- (3) To identify the major port projects
- (4) To prepare rough structural designs, rough cost estimation and economic evaluation
- (5) To carry out Strategic Environmental Assessment (SEA) and to reflect the results into the master plan
- (6) To prepare an improvement plan for administration/management/operation of ports

4.3. Formulation of a short term development plan for UQP and KZP (target year 2025)

- (1) To conduct detailed demand projection for UQP and KZP
- (2) To draw a layout plan of facilities related to UQP and KZP
- (3) To identify the major projects
- (4) To prepare rough structural designs, rough cost estimation and economic evaluation
- (5) To prepare implementation programs including an appropriate organizational/institutional framework

4.4 Formulation of Pre-Feasibility study for the priority projects (target year 2025)

- (1) To select priority projects, on which pre-feasibility study is to be carried out.
- (2) To conduct additional surveys on natural conditions
- (3) To draw a layout plan of port facilities and the related facilities
- (4) To prepare the roles of public and private sectors in investment, administration, management and operation
- (5) To prepare preliminary design, preliminary cost estimation and economic evaluation
- (6) To prepare implementation programs including an appropriate organizational/institutional framework

4.5. Formulation of a short term action plan to improve port administration/management/operation (target year 2025)

- (1) To prepare an action plan to improve port administration system
- (2) To prepare an action plan to improve port development system
- (3) To prepare an action plan to improve port operation system
- (4) To prepare an action plan of capacity development system of GCPI

4.6. Relevant technology transfer.

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5. Input

5.1. Input by JICA

(1) Dispatch of Mission

JICA will dispatch the Mission. Main fields of the Mission are;
Team Leader/Port Planning,
Socio-Economic Analysis,
Transport Planning,
Shipping and Navigation,
Port Policy/Administration/Finance,
Port Management/Operation,
Port Construction/Cost Estimation,
Port Security and Safety,
Natural Conditions and
Environment and Social Considerations

5.2. Input by GCPI

GCPI will take necessary measures to provide at its own expense:

- (a) Services of GCPI's counterpart personnel and administrative personnel as referred to in II-6;
- (b) Suitable office space with necessary equipment;
- (c) Supply or replacement of machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the equipment provided by JICA;
- (d) Information as well as support in obtaining medical service;
- (e) Credentials or identification cards;
- (f) Available data (including maps and photographs) and information related to the Project;
- (g) Running expenses necessary for the implementation of the Project;
- (h) Expenses necessary for transportation within Iraq of the equipment referred to in II-5(1) as well as for the installation, operation and maintenance thereof; and
- (i) Necessary facilities to members of the JICA missions for the remittance as well as utilization of the funds introduced into Iraq from Japan in connection with the implementation of the Project

6. Implementation Structure

The Project organization chart is given in the Annex 2-1. The roles and assignments of relevant organizations are as follows:

(1) GCPI

(a) Project Director

Director General of GCPI will be responsible for overall administration and implementation of the Project.

Project Manager will be nominated by Director General before the commencement of the Project.

(b) Counterpart

Director of Planning Department,

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Director of Marine Inspection Department,
Director of Marine Dredging Department,
Director of Marine Salvage Department,
Director of Marine Affairs Department,
Director of GCPI Training Centre,
Port Manager of UQP North,
Port Manager of UQP South,
Port Manager of KZP,
Port Manager of Al Maqal Port,
Port Manager of Abu Flous Port,

Other concerned officials will be nominated by Project Director upon necessity.

(2) Other relevant organization

- (a) Planning Department, Ministry of Transport ("MOT")
- (b) Maritime Transport Company, MOT
- (c) General Company for Iraqi Railways, MOT
- (d) International Cooperation Directorate, Ministry of Planning ("MOP")
- (e) Transport Sector Department, Sectors Planning Directorate, MOP
- (f) State Commission for Roads and Bridges, Ministry of Construction and Housing ("MOCH")
- (g) Ministry of Oil ("MOO")
- (h) Ministry of Industries and Minerals ("MOIM")
- (i) Ministry of Trade ("MOTr")

(3) Members of the Mission

The members of the Mission will give necessary technical guidance, advice and recommendations to GCPI on any matters pertaining to the implementation of the Project.

(4) Joint Coordinating Committee

Joint Coordinating Committee (hereinafter referred to as "JCC") will be established in order to facilitate inter-organizational coordination. JCC will be held whenever deems it necessary. A list of proposed members of JCC is shown in the Annex 2-2.

7. Project Site(s) and Beneficiaries
All areas in Iraq

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8. Duration (tentative)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Activities 4.0	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Activities 4.1	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Activities 4.2	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Activities 4.3	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Activities 4.4	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Activities 4.5	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Activities 4.6	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Reports	△ ICR							△ ITR(1)				△ ITR(2)					△ DFR	△ FR

9. Reports

JICA will prepare and submit the following reports to GCPI in English. Executive summary of the reports will be submitted in Arabic.

- (1) 20 copies of Inception Report at the commencement of the first work period in Iraq
- (2) 20 copies of Interim Report (1) at the time about 8 months after the commencement of the first work period in Iraq
- (3) 20 copies of Interim Report (2) at the time of 12 months after the commencement of the first work period in Iraq
- (4) 20 copies of Draft Final Report at the end of the last work period in Iraq
- (5) 30 copies of Final Report
- (6) within one (2) month after the receipt of the comments on the Draft Final Report

10. Environmental and Social Considerations

GCPI agreed to abide by "JICA Guidelines for Environmental and Social Considerations" (April 2010) in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

III. UNDERTAKINGS OF GCPI AND GOI

1. GCPI and GOI will take necessary measures to:

- (1) ensure that the technologies and knowledge acquired by the Iraq nationals as a result of Japanese technical cooperation contributes to the economic and social development of Iraq, and that the knowledge and experience acquired by the personnel of Iraq from technical training as well as the equipment provided by JICA will be utilized effectively in the implementation of the Project; and
- (2) grant privileges, exemptions and benefits to members of the JICA missions referred to in II-5 (1) above and their families, which are no less favorable than those granted to experts and members of the missions and their families of third countries or international organizations performing similar

missions in Iraq.

2. GCPI and GOI will take necessary measures to:

- (1) provide security-related information as well as measures to ensure the safety of members of the JICA missions;
- (2) permit members of the JICA missions to enter, leave and sojourn in Iraq for the duration of their assignments therein and exempt them from foreign registration requirements and consular fees.
- (3) exempt members of the JICA missions from taxes and any other charges on the equipment, machinery and other material necessary for the implementation of the Project;
- (4) exempt members of the JICA missions from income tax and charges of any kind imposed on or in connection with any emoluments or allowances paid to them and/or remitted to them from abroad for their services in connection with the implementation of the Project; and
- (5) meet taxes and any other charges on the equipment, machinery and other material, referred to in II-5 above, necessary for the implementation of the Project.

3. GCPI and GOI will bear claims, if any arises, against members of the JICA missions resulting from, occurring in the course of, or otherwise connected with, the discharge of their duties in the implementation of the Project, except when such claims arise from gross negligence or willful misconduct on the part of members of the JICA missions.

IV. EVALUATION

JICA will conduct the following evaluations and surveys to mainly verify sustainability and impact of the Project and draw lessons. GCPI is required to provide necessary support for them.

1. Ex-post evaluation three (3) years after the project completion, in principle
2. Follow-up surveys on necessity basis

V. PROMOTION OF PUBLIC SUPPORT

For the purpose of promoting support for the Project, GCPI will take appropriate measures to make the Project widely known to the people of Iraq.

VI. MUTUAL CONSULTATION

JICA and GCPI will consult each other whenever any major issues arise in the course of Project implementation.

VII. AMENDMENTS

The record of discussions may be amended by the minutes of meetings between

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JICA and GCPI.

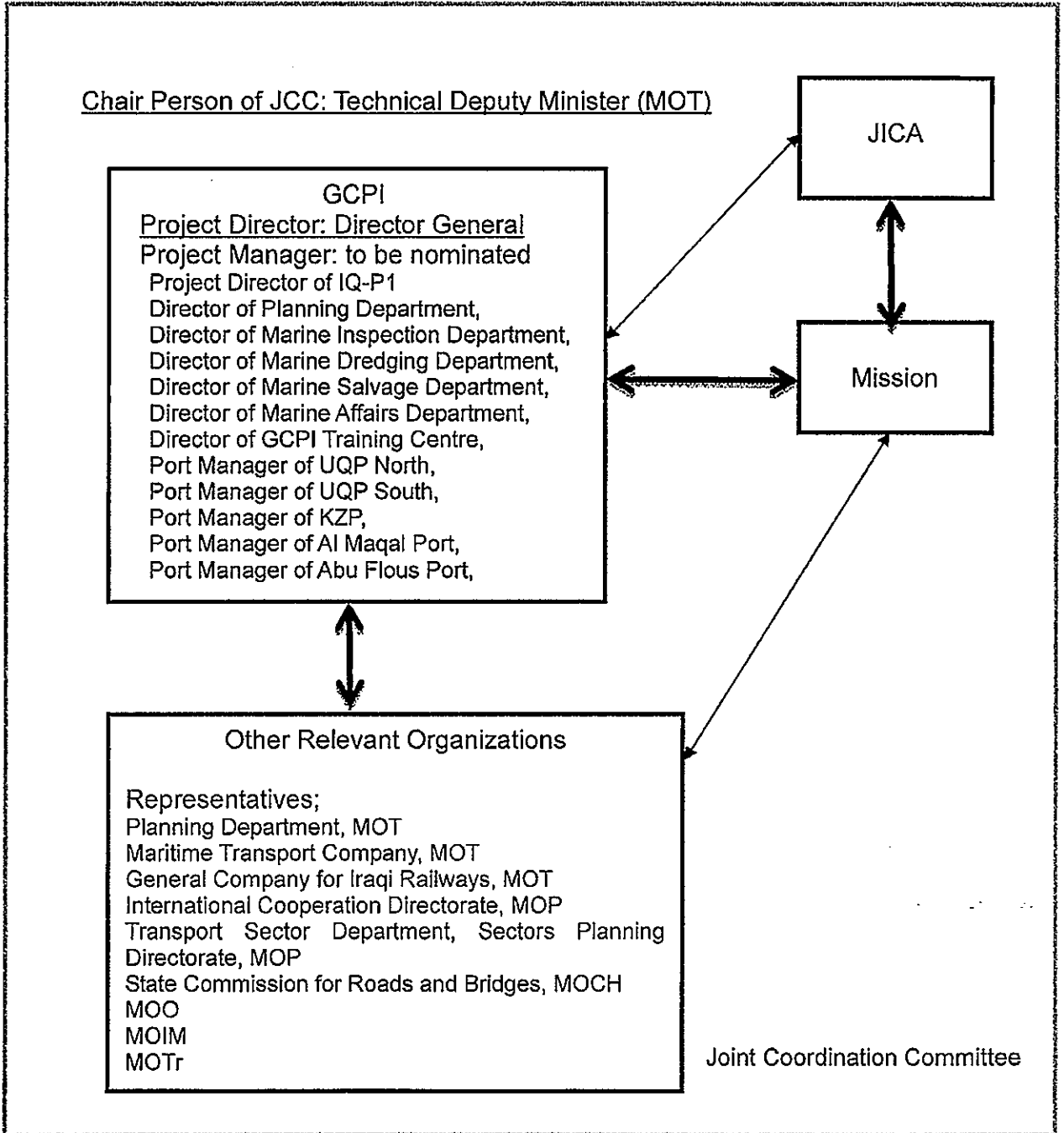
The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the record of discussions.

Annex 2-1 Project Organization Chart

Annex 2-2 List of Proposed Members of Joint Coordinating Committee

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Project Organization Chart



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List of Proposed Members of Joint Coordinating Committee

Chair Person

- Technical Deputy Minister, Ministry of Transport

Project Director

- Director General, GCPI

Members

[GCPI]

- Project Director of IQ-P1 (Port Sector Rehabilitation Project),
- Director of Planning Department,
- Director of Marine Inspection Department,
- Director of Marine Dredging Department,
- Director of Marine Salvage Department,
- Director of Marine Affairs Department,
- Director of GCPI Training Centre,
- Port Manager of UQP North,
- Port Manager of UQP South,
- Port Manager of KZP,
- Port Manager of Al Maqal Port,
- Port Manager of Abu Flous Port,

[Other relevant organizations]

Representatives from:

- Ministry of Transport
- Ministry of Planning
- Ministry of Construction and Housing
- Ministry of Oil
- Ministry of Industries and Minerals
- Ministry of Trade

[JICA]

- Representatives of JICA Iraq Office
- Leader of the Mission

Other personnel will be nominated upon necessity under the agreement between both sides of Iraq and Japan.

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